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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.**

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OFFICE OF THE SECRETARY

In the Matter of)	
)	
Extending Wireless)	WT Docket No. 99-266
Telecommunications Services)	
To Tribal Lands)	

COMMENTS OF CELSAT AMERICA, INC.

Celsat America, Inc. ("Celsat"), by undersigned counsel, hereby submits the following comments on the Notice of Proposed Rulemaking released on August 18, 1999 in the above-captioned proceeding (the "NPRM"). Celsat is one of nine applicants seeking to provide mobile satellite service ("MSS") in the 2 GHz band.¹ As a prospective satellite service provider capable of offering extremely low cost service to all citizens in the United States, Celsat is deeply interested in and committed to the Commission's worthy goal of ensuring that individuals living on tribal lands (and in currently unserved areas) have access to affordable telecommunications services.

¹ See Master System Application of Celsat, Inc. for a GEO Satellite-Based MSS Space/Ground Hybrid Personal Communications Service, File Nos. 26/27/28-DSS-P/LA-97, 88-SAT-AMEND-98 (April 8, 1994). Licensing and service rules for 2 GHz MSS are currently under consideration by the Commission in The Establishment of Policies and Service Rules For the Mobile Satellite Service in the 2 GHz Band, IB Docket No. 99-81, RM 9328, 14 FCC Rcd 4843 (1999) (the "2 GHz Licensing NPRM").

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Celsat applauds the Commission's express recognition that satellites are an excellent way to deliver both basic and enhanced telecommunications services to unserved areas and tribal lands.² It is critically important, however, to understand that some satellite networks will provide such services more economically than others, and that the differences among networks in this regard are largely a function of design. Consequently, if the Commission truly wishes to promote service to tribal lands, it can and should adopt licensing policies that encourage operators to carry traffic in remote regions.³

I. SATELLITE SYSTEMS CAN ELIMINATE THE "DIGITAL SERVICE DEFICIT" ONLY IF THEY ARE DESIGNED WITH THE AVERAGE USER IN MIND

The Commission correctly notes that satellite networks have certain inherent technical advantages over terrestrial wireless technologies that make them a particularly good choice for service to tribal lands. Whether a satellite network is global or regional, its service area is undoubtedly large enough to facilitate cost-spreading among many different communities, rural as well as urban. This basic fact fundamentally alters the economics of providing service to sparsely populated areas. It permits users in even the poorest, most remote regions to receive the same level of service enjoyed by users in the richest, most densely populated urban centers.

² NPRM at ¶ 12.

³ See Comments of Celsat on the 2 GHz Licensing NPRM at 28-29 (June 24, 1999); Reply Comments of Celsat on the 2 GHz Licensing NPRM at 20 (July 26, 1999).

Virtually any satellite operator can serve tribal lands at no additional cost, a claim which terrestrial wireless operators would be hard pressed to make.

While large coverage areas give satellite networks an inherent advantage over terrestrial wireless and wireline technologies, mere cost-spreading may not be enough to ensure that tribal lands and other remote population centers are adequately served. For example, if the overall cost of the telephone and air time on a given network is extremely expensive, it is of little comfort to an economically strapped individual living on tribal lands that the exorbitant price for the service incorporates cost-spreading. Poor people need affordable service.

In this regard, Celsat's proposed MSS system is truly unique among all of the proposed 2 GHz MSS systems seeking to focus on the United States market. This is primarily because Celsat's single satellite system will be the least expensive system to build, and not surprisingly, will offer the most affordable service. Accordingly, implementation of the Celsat service will be equally accessible to the globetrotting executive walking the streets of Manhattan and to the Native American living on the remotest tribal lands. The availability of satellite phone service on a \$1,000 handset with airtime charges over \$1.00 per minute is of little utility to a Native American living in poverty on tribal lands. The Celsat system, with a handset retailing for under \$100 (or perhaps even free) and airtime charges at 8 cents per minute (including long distance) could finally make reliable and ubiquitous telephone service on tribal lands a reality.

The NPRM thus cuts to the heart of the issue when it asks: "[W]hile the footprint of a satellite operator may indeed cover a tribal land or unserved area, how does this fact address the potential economic barrier of individuals living on tribal lands not being able to afford the service without any special discounts or subsidies?"⁴ The answer, quite obviously, is that coverage alone is not enough. If the Commission wishes to encourage greater penetration on tribal lands and in other unserved communities, it must start by recognizing that not all MSS systems are designed with these users in mind.

II. THE COMMISSION'S SATELLITE LICENSING AND SPECTRUM POLICIES MUST REFLECT ITS BASIC COMMITMENT TO USERS IN TRIBAL LANDS AND UNSERVED AREAS

In the NPRM, the Commission seeks comment on whether any licensing incentives or other policies could be adopted by the Commission to promote the deployment of cost-effective satellite service for use in tribal lands and other unserved areas. Specifically, the Commission asks "how [it] can use [its] licensing authority to encourage the provision of satellite-based telecommunications services to tribal lands and other unserved areas," and seeks comment on "other policies that the Commission could adopt to promote the deployment of cost-effective satellite service for use in tribal lands and other unserved areas."⁵ Celsat

⁴ NPRM at ¶ 56.

⁵ See NPRM at ¶ 54 (asking whether "in future spectrum assignments, [the Commission should] assign more spectrum within a particular band to companies that commit to serving tribal lands and other unserved areas?").

believes the Commission can and should promote greater service to tribal lands and unserved areas by speeding up the licensing process, acknowledging the distributive effects of spectrum policies generally, and incorporating this overall policy orientation into a mechanism for assigning "expansion spectrum" in the 2 GHz MSS band.

First, if existing MSS systems are not achieving significant penetration rates in tribal lands and unserved areas, the Commission must acknowledge that nothing will change unless and until the Commission licenses new MSS systems. In keeping with the Commission's traditional "open entry" policy for satellite systems, the Commission should seek to license as many systems as possible, as quickly as possible. Thus, for example, in the current 2 GHz processing round, the Commission should license all pending applicants in accordance with whatever band plan it adopts, rather than ordering all applicants to go through another round of amendments and comments.⁶ Ordering amendments at this point, followed by a comment period, would add at least six months to a licensing process that has already lasted more than five years. If the Commission is truly committed to the policies discussed in the NPRM, it must take concrete steps to show that the Commission refuses to be an obstacle to the provision of service in tribal lands and unserved areas. Dispensing with the requirement to amend applications following the issuance of the Commission's 2 GHz licensing order would be one such step.

⁶ See Comments of Celsat, supra note 3, at 4-6. See also Ex Parte Submission of Celsat America, Inc. in IB Docket 99-81, filed October 13, 1999.

Second, to the extent the Commission wishes to promote service to tribal lands and other unserved areas, then it must explicitly refer to and incorporate that policy when it weighs the competing claims of the MSS industry against those of terrestrial telecommunications companies. Whether the issue is licensing, spectrum allocation, or relocation of incumbents, MSS proponents will often be adverse to telecommunications companies that cater to large commercial interests in densely populated urban centers. For example, some 2 GHz incumbents have filed comments on the 2 GHz Licensing NPRM arguing that the Commission should award licenses in the 2 GHz MSS proceeding through competitive bidding or, in the alternative, require 2 GHz MSS applicants to demonstrate their financial qualifications prior to obtaining a Commission license. A primary reason for advancing these two proposals is to ensure that the 2 GHz MSS licensees are able to pay the relocation costs of incumbent 2 GHz users. In addition to the very strong arguments of the 2 GHz MSS applicants opposing both auctions and financial qualifications, the Commission must recognize that the arguments of the 2 GHz incumbents pit the interests of urban dwellers against the interests of rural inhabitants, including those on tribal lands. If the Commission licenses 2 GHz MSS applicants through a process of competitive bidding in order to provide a fund to pay for the relocation costs of incumbent 2 GHz users, the winning bidders in the 2 GHz auction will be required to recoup the costs of paying for their licenses by charging higher prices to their customers. Consequently, the relocation expenses of incumbent 2 GHz users (who

serve primarily urban areas) will be met at the expense of providing affordable service to rural areas. This is but one example of the many subtle ways in which the Commission's policies can and should take into account the interests of those individuals living on tribal lands.

Third, Celsat urges the Commission to weave its policy toward tribal lands and unserved areas into its spectrum assignment policies in the 2 GHz band. In the 2 GHz proceeding, the Commission has proposed to grant preferential access to expansion spectrum to those 2 GHz applicants that successfully implement systems capable of serving rural and previously unserved communities.⁷ While all MSS systems are technically capable of providing service to rural areas, some will achieve that goal better than others, and the Commission should do all it can to encourage companies like Celsat that can provide inexpensive wireless service in remote areas. The Commission should therefore adopt Celsat's proposal to make penetration in rural areas a factor in the assignment or re-assignment of 2 GHz MSS spectrum.⁸

⁷ NPRM at ¶ 55. See also 2 GHz Licensing NPRM at 4886.

⁸ See, e.g., Comments of Celsat, supra note 3, at 9 (June 24, 1999).

III. CONCLUSION

Celsat supports the Commission's efforts to increase the availability of telecommunications services to tribal lands and other unserved areas. In this regard, Celsat urges the Commission to act expeditiously on its 2 GHz application so that Celsat can make these telecommunications services available to tribal lands and remote areas as soon as possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Weimer', is written over a horizontal line.

Antoinette Cook Bush

John C. Quale

Brian D. Weimer

Skadden, Arps, Slate, Meagher & Flom
LLP

1440 New York Avenue, N.W.
Washington, D.C. 20005-2111
202-371-7000

Attorneys for Celsat America, Inc.

Mark A. Grannis
Kelly S. McGinn
Harris, Wiltshire & Grannis, LLP
1200 18th Street, N.W.
Washington, D.C. 20036-2506
202-730-1300

Attorneys for Celsat America, Inc.

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CERTIFICATE OF SERVICE

I, Tanisha Cobb, hereby certify that on this 9th day of November, 1999, copies of the foregoing "Comments of Celsat America, Inc." were served by U.S. Mail or by hand delivery (*) on the following parties:

Commissioner Gloria Tristani*
Federal Communications Commission
445 12th Street, SW, Suite 8-C302
Washington, DC 20554
Phone: (202) 418-2300

Donald Abelson, Chief*
International Bureau
Federal Communications Commission
445 12th Street, S.W., Rm. 6-C750
Washington, DC 20554
Phone: (202) 418-0437

Thomas S. Tycz, Chief*
International Bureau
Federal Communications Commission
445 12th Street, S.W, Rm. 6-A665
Washington, DC 20554
Phone: (202) 418-0735

Karl A. Kensinger*
International Bureau
Federal Communications Commission
445 12th Street, S.W., Rm. 6-A663
Washington, DC 20554
Phone: (202) 418-0773

Alexander Roytblat*
International Bureau
Federal Communications Commission
445 12th Street, S.W., Rm. 6-A623
Washington, DC 20554
Phone: (202) 418-7501

Chris Murphy*
International Bureau
Federal Communications Commission
445 12th Street, S.W., Rm. 6-C437
Washington, DC 20554
Phone: (202) 418-2373

Howard Griboff*
International Bureau
Federal Communications Division
445 12th Street, S.W., Rm. 6-C467
Washington, DC 20554
Phone: (202) 418-0657



Tanisha Cobb